

Budget Listening Sessions

THANKS FOR JOINING



Welcome

▶ Housekeeping

▶ Budget Overview

- ▶ Budget Process
- ▶ City of Charlotte Budget Highlights

▶ We Want to Hear From You

- ▶ Use the “Raise Hand” feature in WebEx to be added to the speaking list

▶ Budget Resources

- ▶ Stay Connected!

Housekeeping

- ▶ **During this listening session, our goal is to collect feedback from you**
- ▶ **Following a brief presentation, we will move into discussion and Q&A**
- ▶ **If you would like to speak, please raise your virtual hand and you will be called on**
- ▶ **At any time, feel free to comment or ask questions in the Q&A box**

City vs. County Services and How Property Taxes Pay for Them



Charlotte Resident's
Property Tax Bill

County Portion
64%

Education
Social Services
Public Health
Court Support &
Detention

City Portion
36%

Police
Fire
Transportation
Housing
Solid Waste

Five Key Costs Primarily Supported by Property Taxes		
Description	Agency	Amount
CMS Local Support	County	\$573M
CMPD	City	\$317.6M
Health and Human Services	County	\$222M
Charlotte Fire	City	\$154.8M
Court Support and Public Safety Services	County	\$136.8M

County information from the Mecklenburg County FY23 Adopted Budget (pages 22 & 59)

Note: 21.6 percent of Mecklenburg County residents live outside of Charlotte.

City Sets Aside Property Tax Dollars to Support Programs and Debt Service

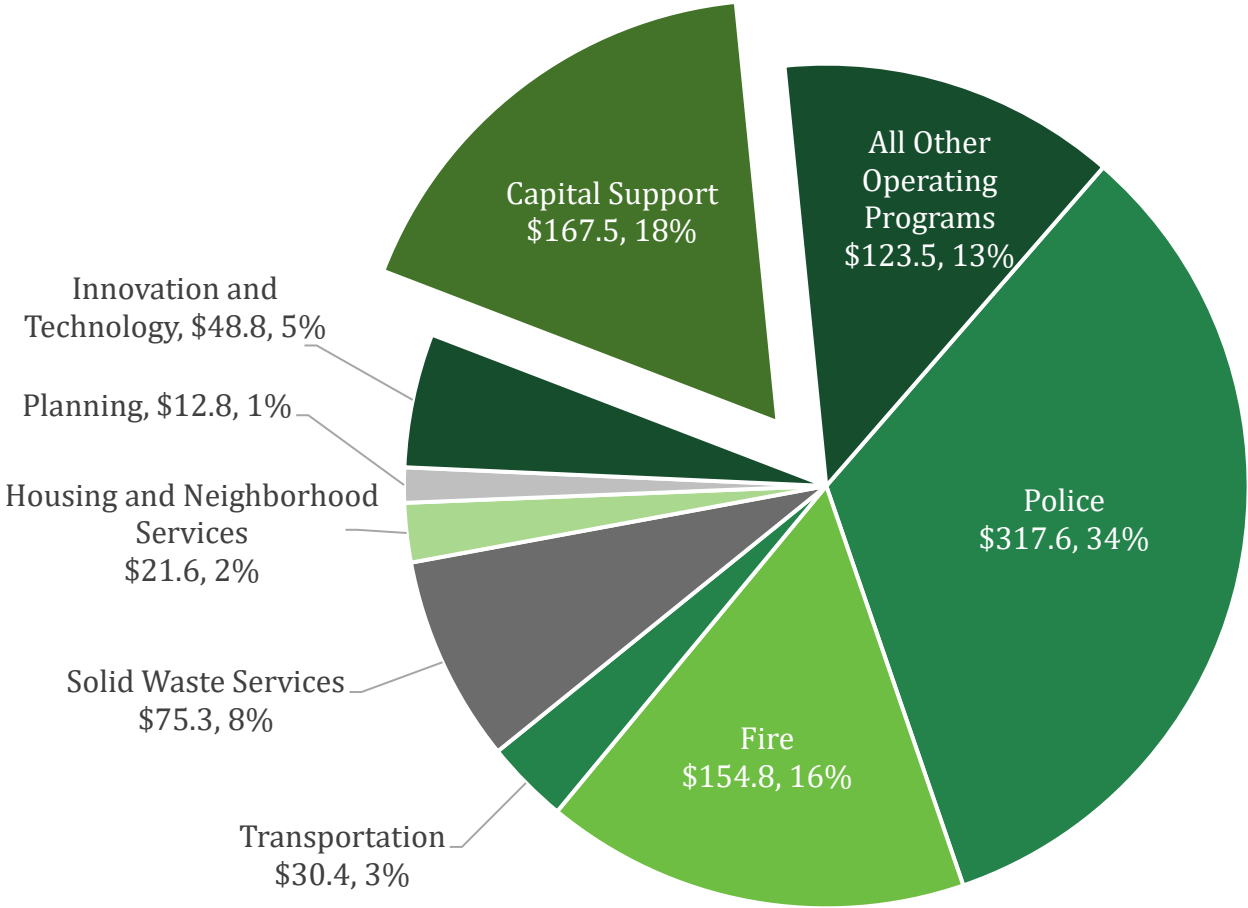
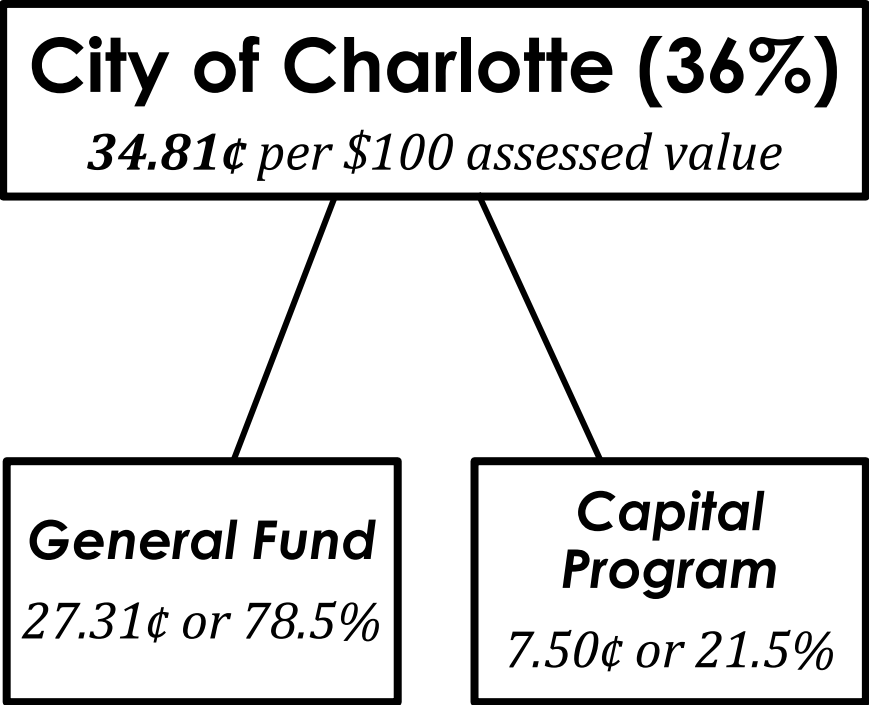
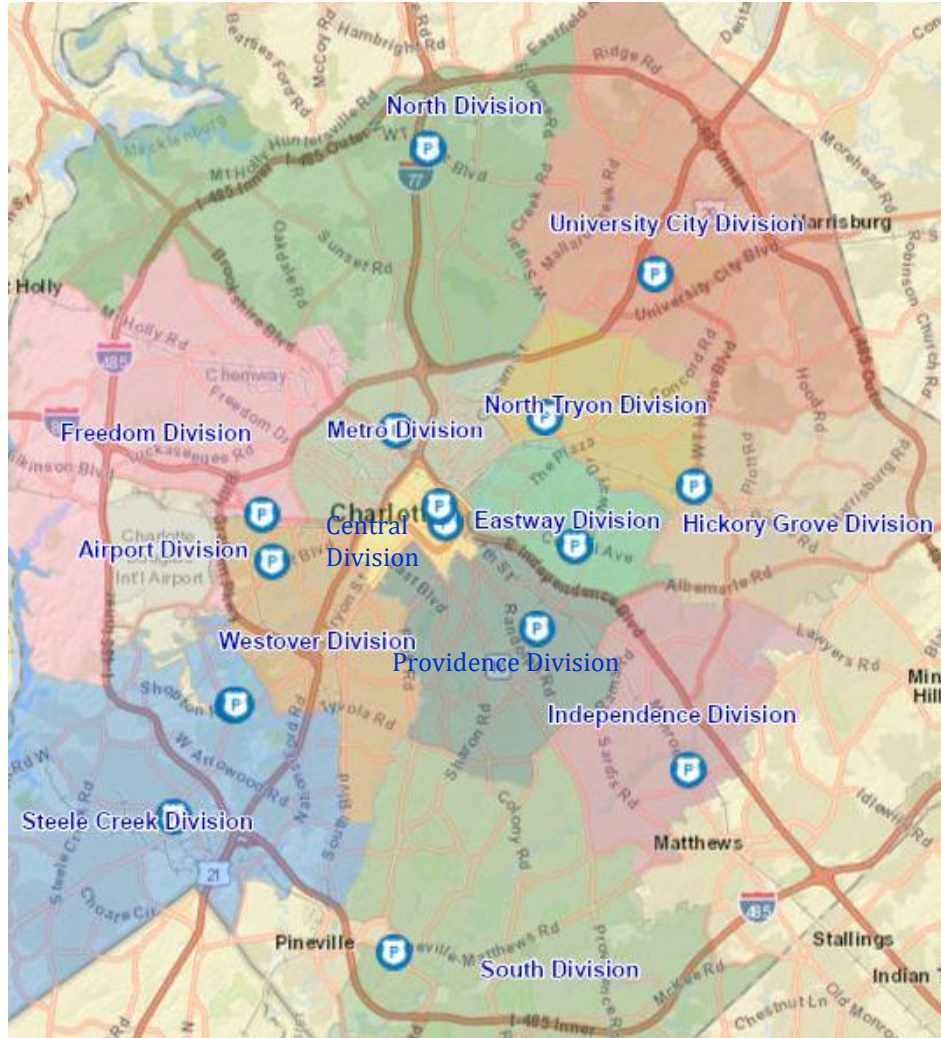


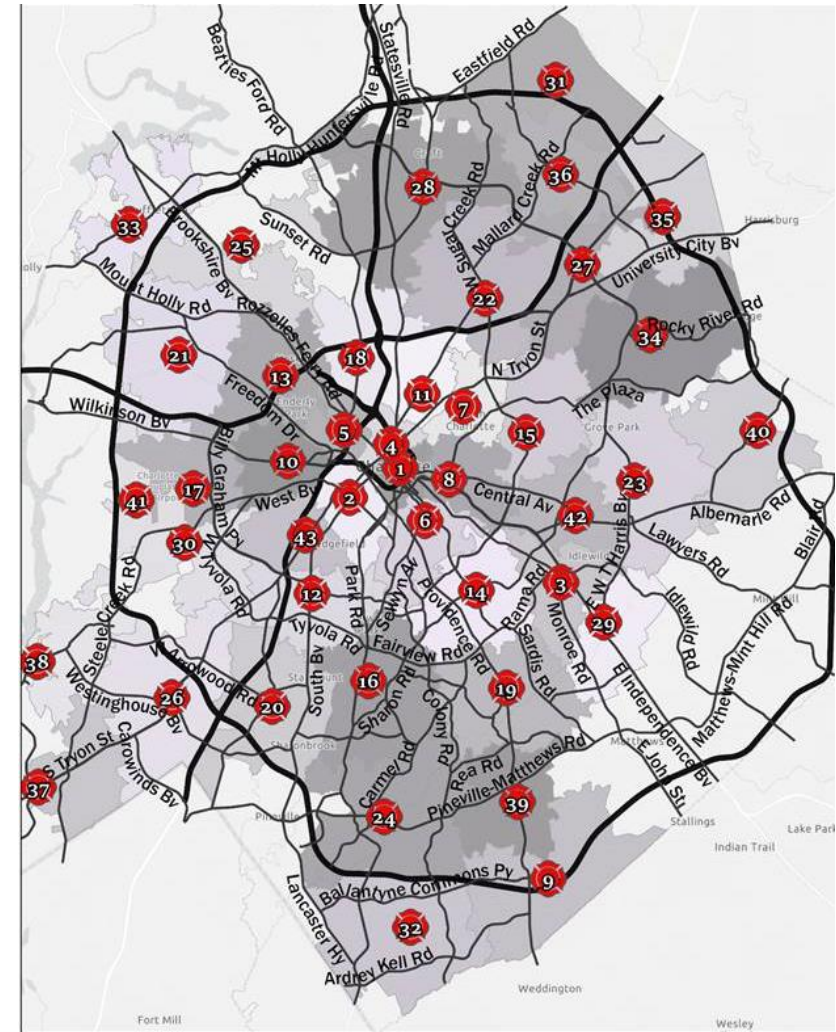
Chart includes operating costs plus Property and Sales Tax support for the Capital Investment Plan

Police and Fire Typically Respond to More than 500,000 911 Calls Each Year

13 Police Divisions (plus CLT Airport)



43 Fire Stations



How the City's Budget is Organized

Governmental Funds

- General Fund
- Debt Service
- Pay-As-You-Go^a



Supported primarily
by Property Tax and
Sales Tax

Department	Budget (millions)
Police	317.6
Fire	154.8
Solid Waste	75.3
Technology	48.8
Transportation	30.4
Housing	21.6
Planning	12.8
All Other	123.5
TOTAL	784.8

Enterprise Funds

Supported
primarily
by User
Fees

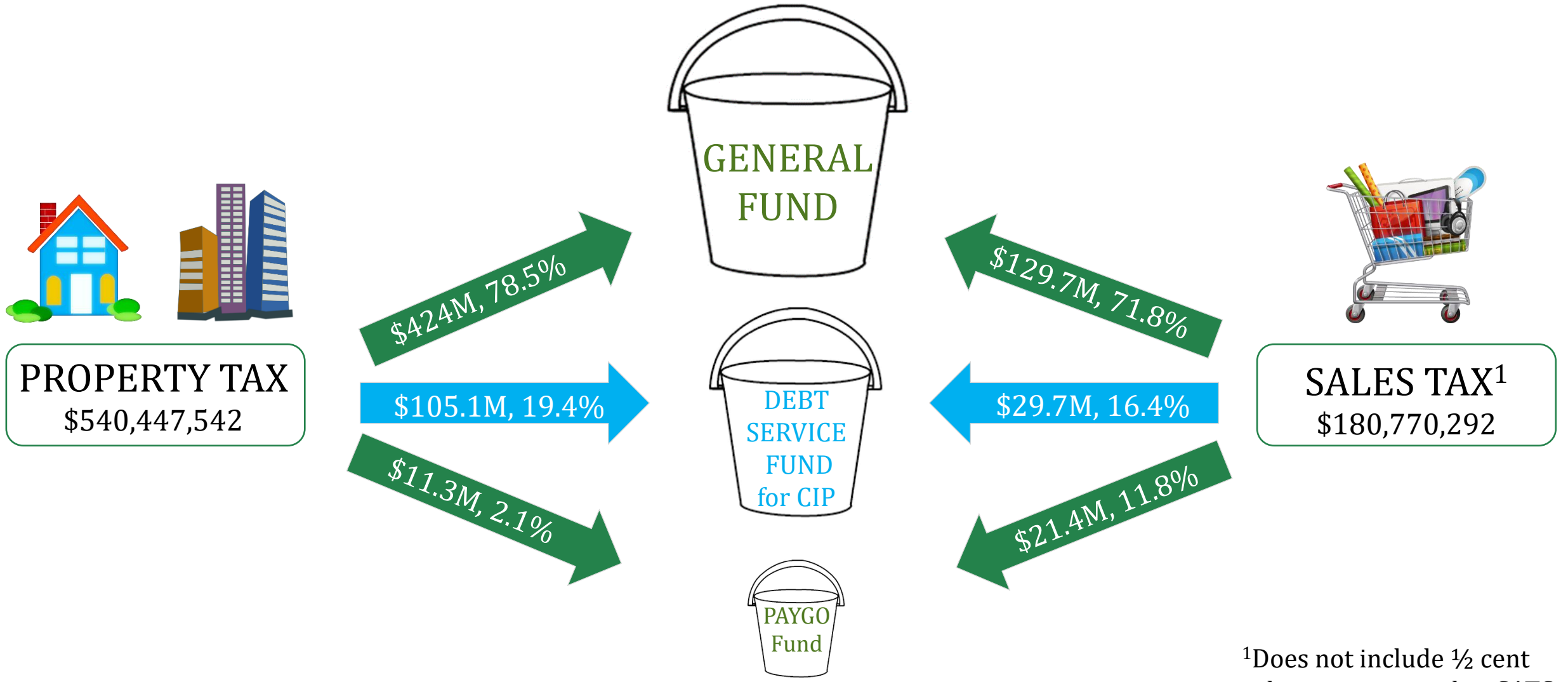
- Aviation
- CATS¹
- Water
- Storm Water

¹CATS receives a restricted
½ cent sales tax

Special Revenue Funds

Dedicated revenues
required to be used for
specific purposes

Property and Sales Tax Distribution

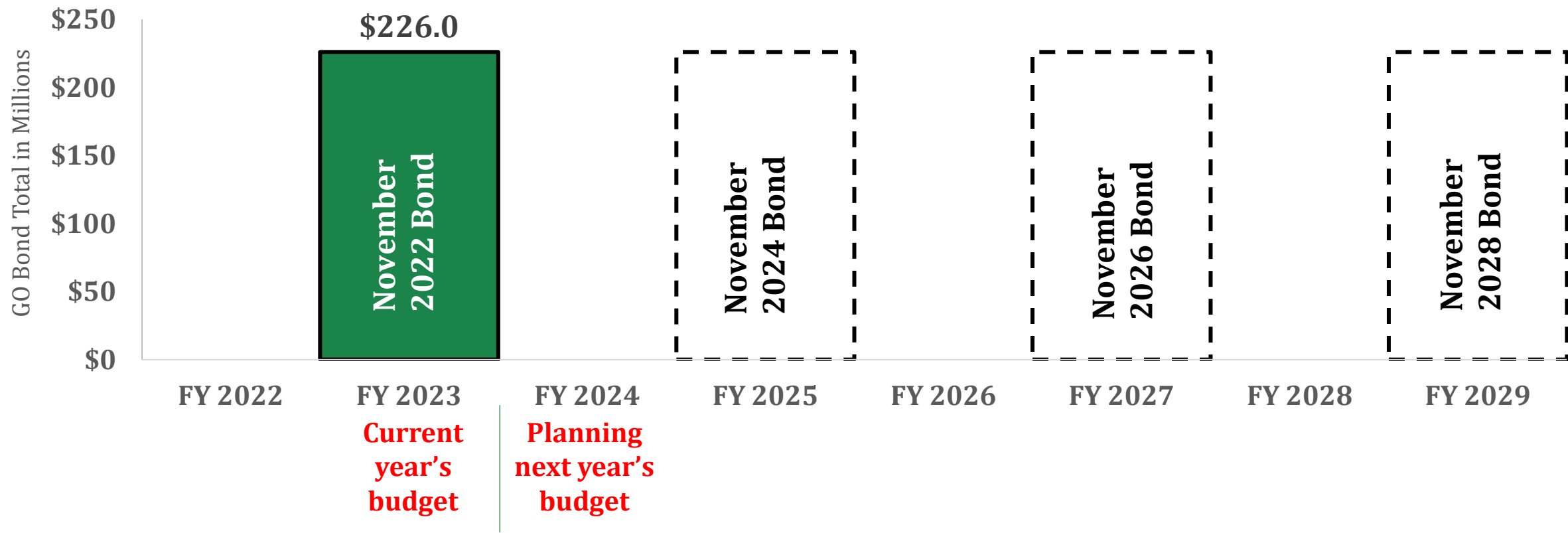


¹Does not include 1/2 cent sales tax restricted to CATS

Capital Investment Plan Bonds are Requested Every Two Years

The General CIP is a debt-supported program that funds:

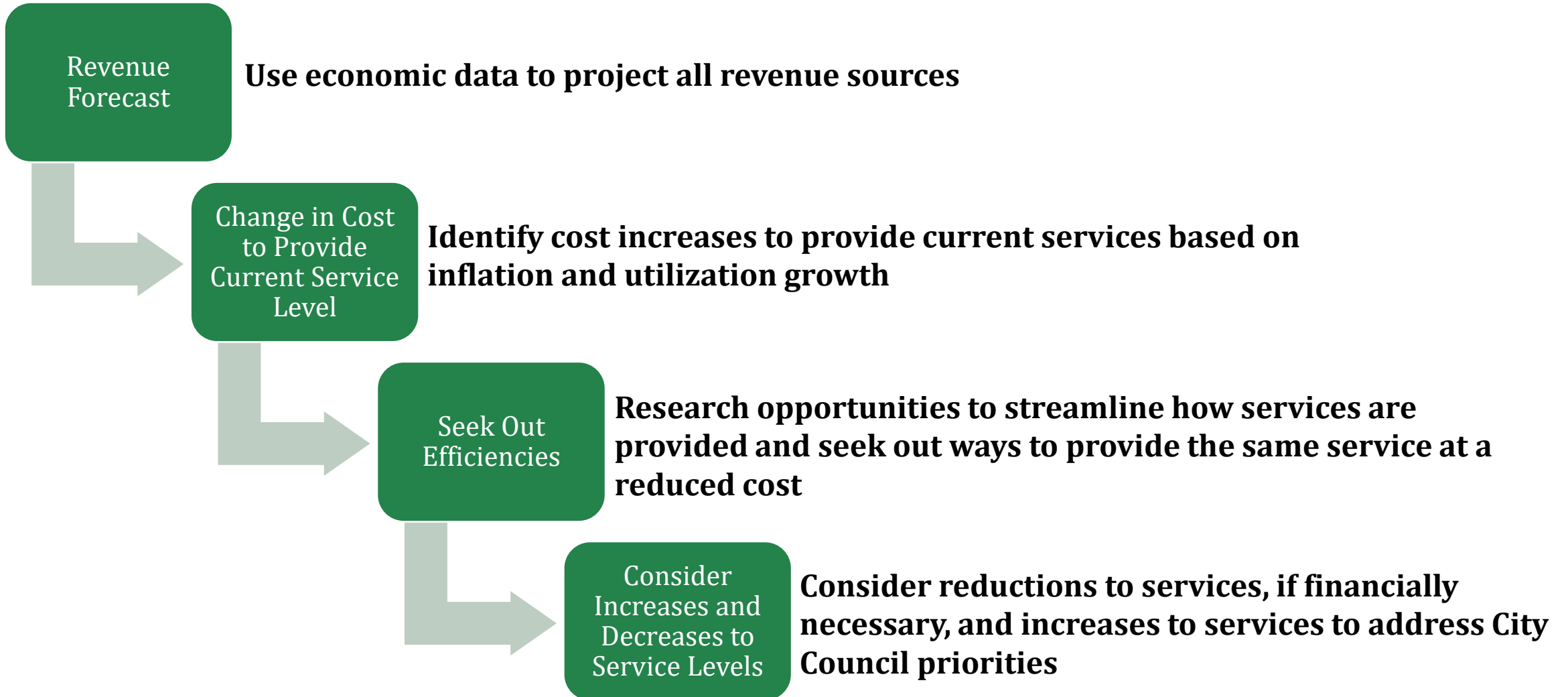
- ▶ Housing Bonds (investments to support affordable housing)
- ▶ Transportation Bonds (roads, sidewalks, traffic signals, etc.)
- ▶ Neighborhood Bonds (infrastructure and transportation funding for neighborhoods)



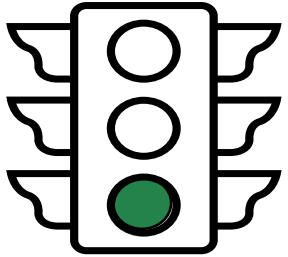
5-Year Capital Plan

	2022 Bond FY 2023	2024 Bond FY 2025	2026 Bond FY 2027	2028 Bond FY 2029	Total
PROJECTS FUNDED WITH GENERAL OBLIGATION BONDS (Require Voter Approval)					
Great Neighborhoods (Affordable and Sustainable Neighborhoods)					
Create and Preserve Affordable Housing	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000	\$200,000,000
Invest in Corridors of Opportunity	\$10,000,000	\$10,000,000	-	-	\$20,000,000
Safe Communities (Safe, Healthy, and Inclusive Communities)					
Enhance Transportation Safety (Vision Zero)	\$12,600,000	\$4,000,000	\$4,000,000	\$4,000,000	\$24,600,000
Enhance Transportation Safety (Vision Zero)- Street Lighting	\$4,500,000	-	-	-	\$4,500,000
Transportation, Planning, and Environment (Accessibility, Mobility, and Connectivity)					
Improve Sidewalks	\$50,000,000	\$20,000,000	\$17,000,000	\$20,000,000	\$107,000,000
Improve Eastway Drive/Shamrock Drive Intersection	\$12,700,000	\$10,500,000	-	-	\$23,200,000
Mitigate Congestion	\$10,000,000	\$10,000,000	\$5,000,000	\$5,000,000	\$30,000,000
Connect Bicycle Facilities	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$32,000,000
Resurface Streets	\$21,600,000	\$8,000,000	\$8,000,000	\$8,000,000	\$45,600,000
Connect Northeast Corridor Infrastructure	\$6,000,000	-	-	-	\$6,000,000
Improve Rea Road with Bonus Allocation Funding	\$7,300,000	-	-	-	\$7,300,000
Repair and Replace Bridges	\$5,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$23,000,000
Upgrade Traffic Control Devices	\$4,500,000	\$5,000,000	\$5,000,000	\$5,000,000	\$19,500,000
Maintain Intelligent Transportation Systems	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$16,000,000
Construct Bryant Farms Road Phase II	-	\$10,000,000	\$43,000,000	-	\$53,000,000
Construct Robinson Church Road	-	\$7,800,000	\$18,500,000	\$32,500,000	\$58,800,000
Construct Ashley Road/Tuckaseegee Road/Freedom Drive Intersection	-	-	\$5,200,000	\$9,800,000	\$15,000,000
Workforce and Business Development (Economy, Jobs, and Upward Mobility)					
Promote Public/Private Partnerships	\$3,000,000	\$12,500,000	\$13,000,000	\$26,000,000	\$54,500,000
Support Ballantyne Reimagined Infrastructure	\$8,800,000	\$8,700,000	-	-	\$17,500,000
Improve Infrastructure for Centene Development	\$3,000,000	\$3,500,000	-	-	\$6,500,000
Reimburse Innovation District Infrastructure (Atrium)	\$5,000,000	\$10,000,000	-	-	\$15,000,000
Additional Future Capacity	-	\$38,000,000	\$39,300,000	\$47,700,000	\$125,000,000
Total General Obligation Bonds	\$226,000,000	\$226,000,000	\$226,000,000	\$226,000,000	\$904,000,000

4 Steps to Building an Annual Budget

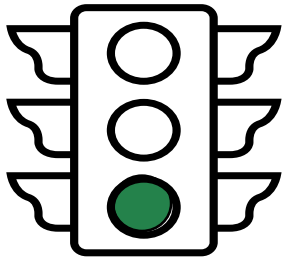


Financial Resiliency Drives Budget Development Planning



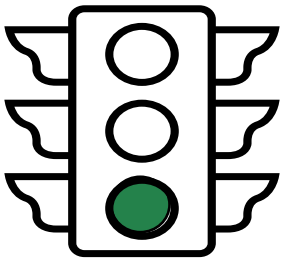
Structurally Balanced Budget

- ▶ Ongoing expenses do not exceed ongoing revenues



Fully Funded Reserves

- ▶ Approximately two months (16%) in reserve in the General Fund



Maintaining Capital Affordability

- ▶ Steady state debt affordability reserved for future city capacity

The Budget is Built Around City Council Priorities and Initiatives to Advance Them

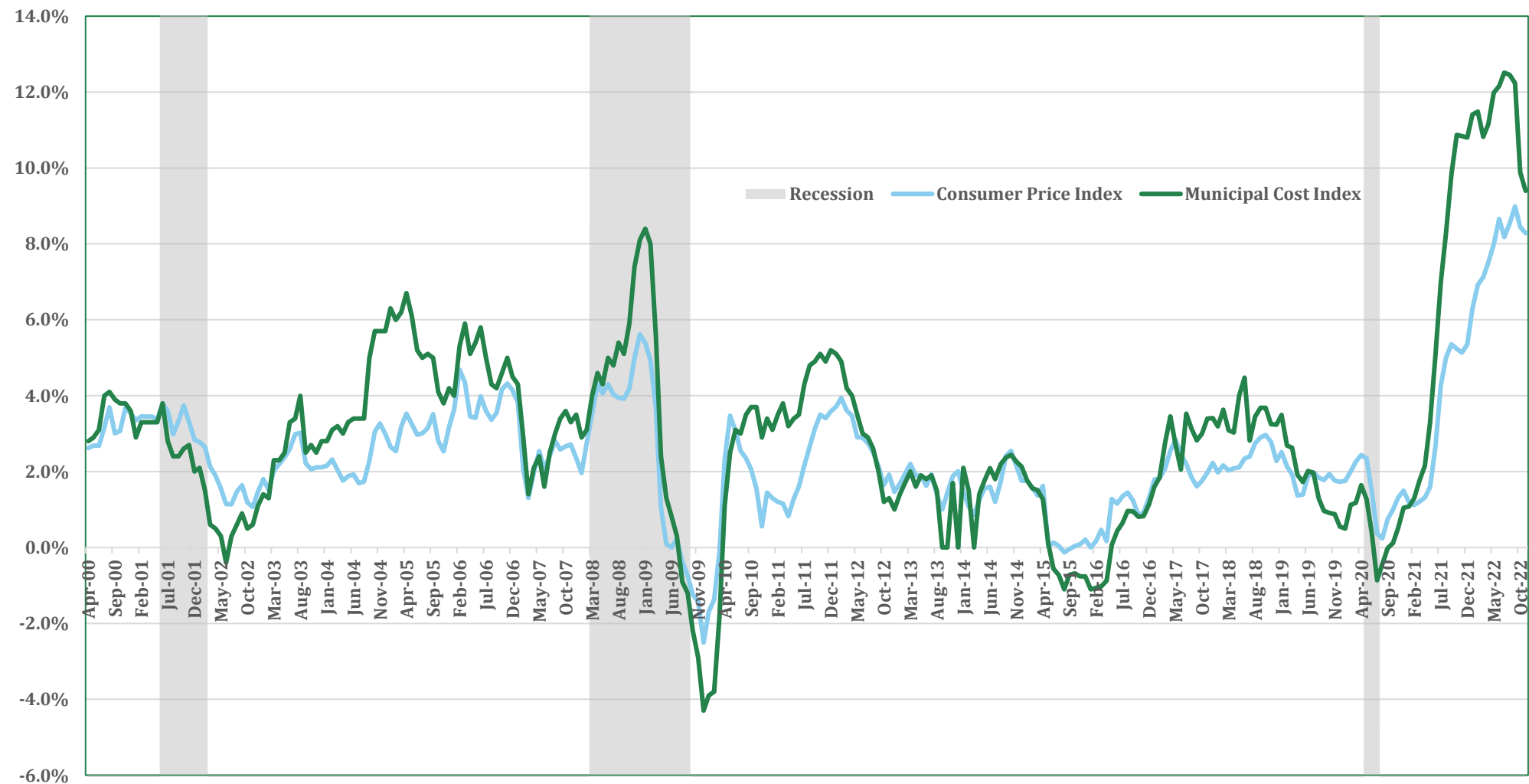
City Council Priorities

- ▶ Workforce and Business Development
- ▶ Great Neighborhoods
- ▶ Safe Communities
- ▶ Transportation and Planning
- ▶ Well-Managed Government
 - *focusing on environmental stewardship and promoting equitability across all services.*

Examples of Current Initiatives

- ▶ Affordable Housing
- ▶ Charlotte Future 2040 Comprehensive Plan & Unified Development Ordinance Implementation
 - *Including the Strategic Energy Action Plan (SEAP)*
- ▶ Corridors of Opportunity
 - *Including SAFE Charlotte*
- ▶ Jobs and HIRE Charlotte
 - *Including Arts and Culture*
- ▶ Mobility
- ▶ Bridging the digital divide
- ▶ Developing small businesses and minority-owned businesses

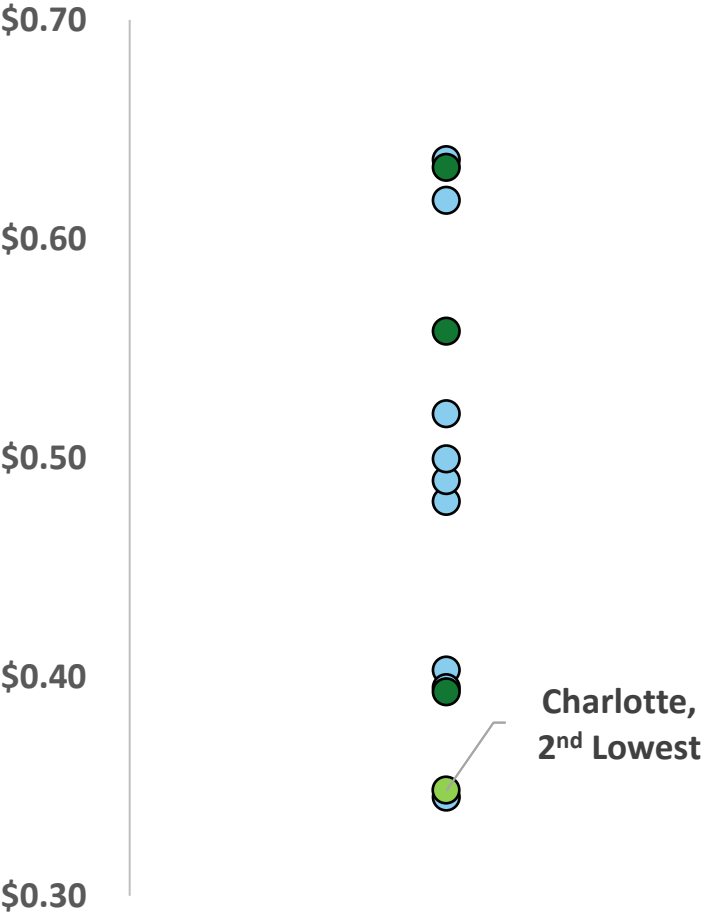
Municipal Costs Still Above CPI, Although Declining



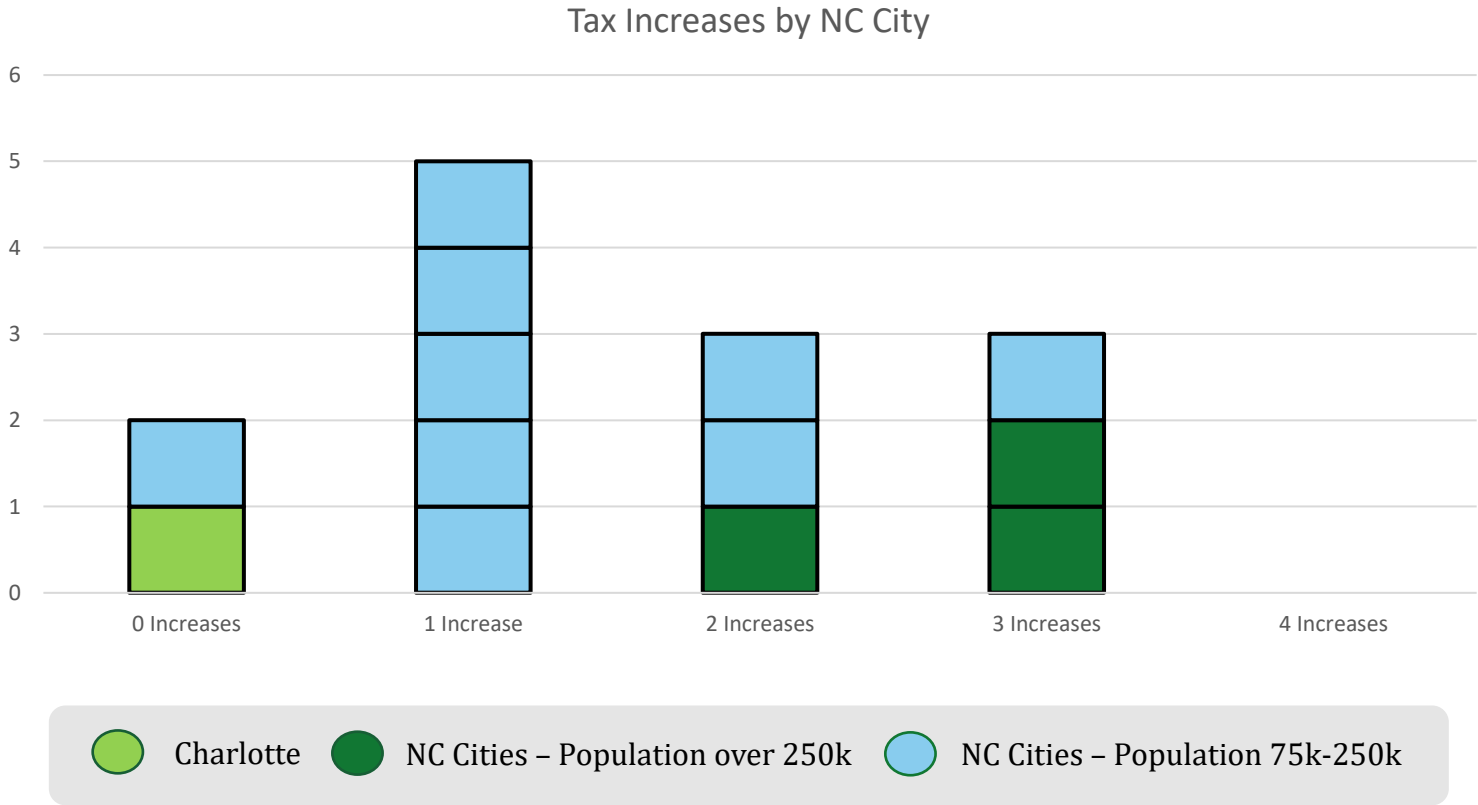
Source: American City & County's Municipal Cost Index

Charlotte's City Property Tax Rate is Low Compared to North Carolina Peers

FY 2023 City Tax Rate

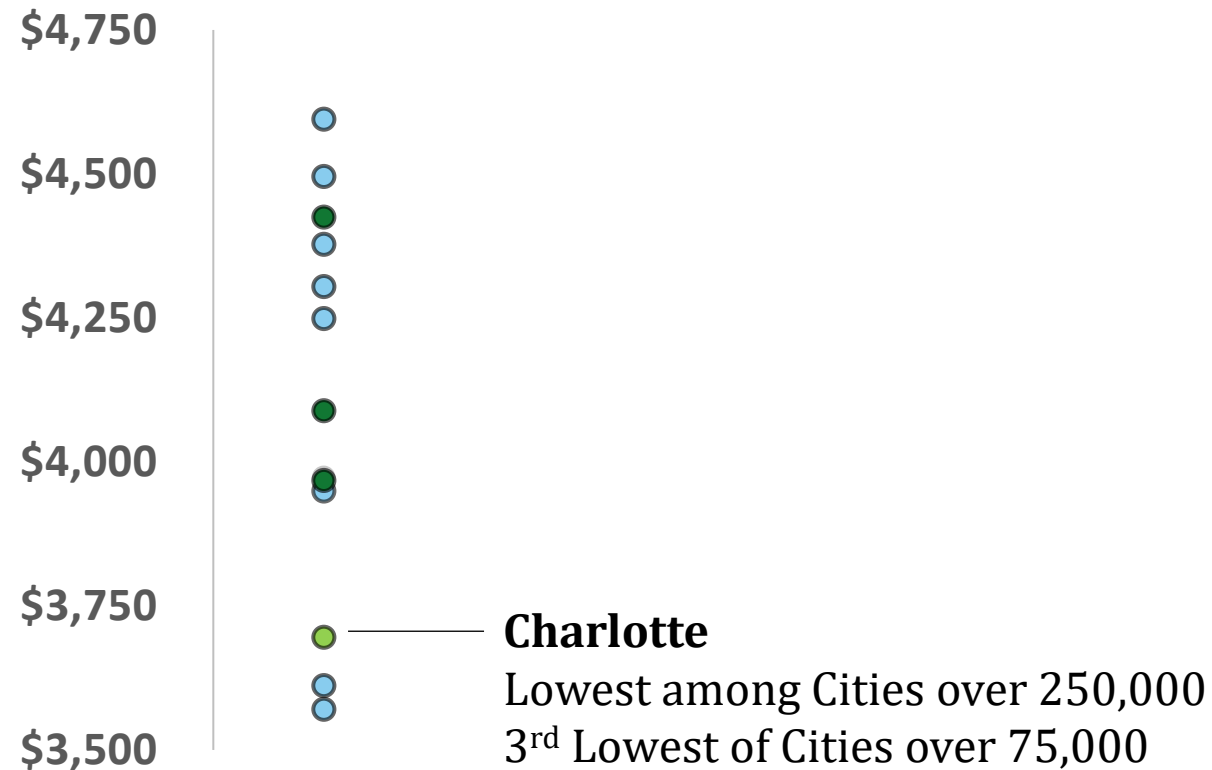


Number of Tax Increases Last Four Years



When Compared to North Carolina Peers, Local Government Costs are Reasonable in Charlotte

Annual Local Government Costs



Charlotte NC Cities – Population over 250k NC Cities – Population 75k-250k

Included For All Cities

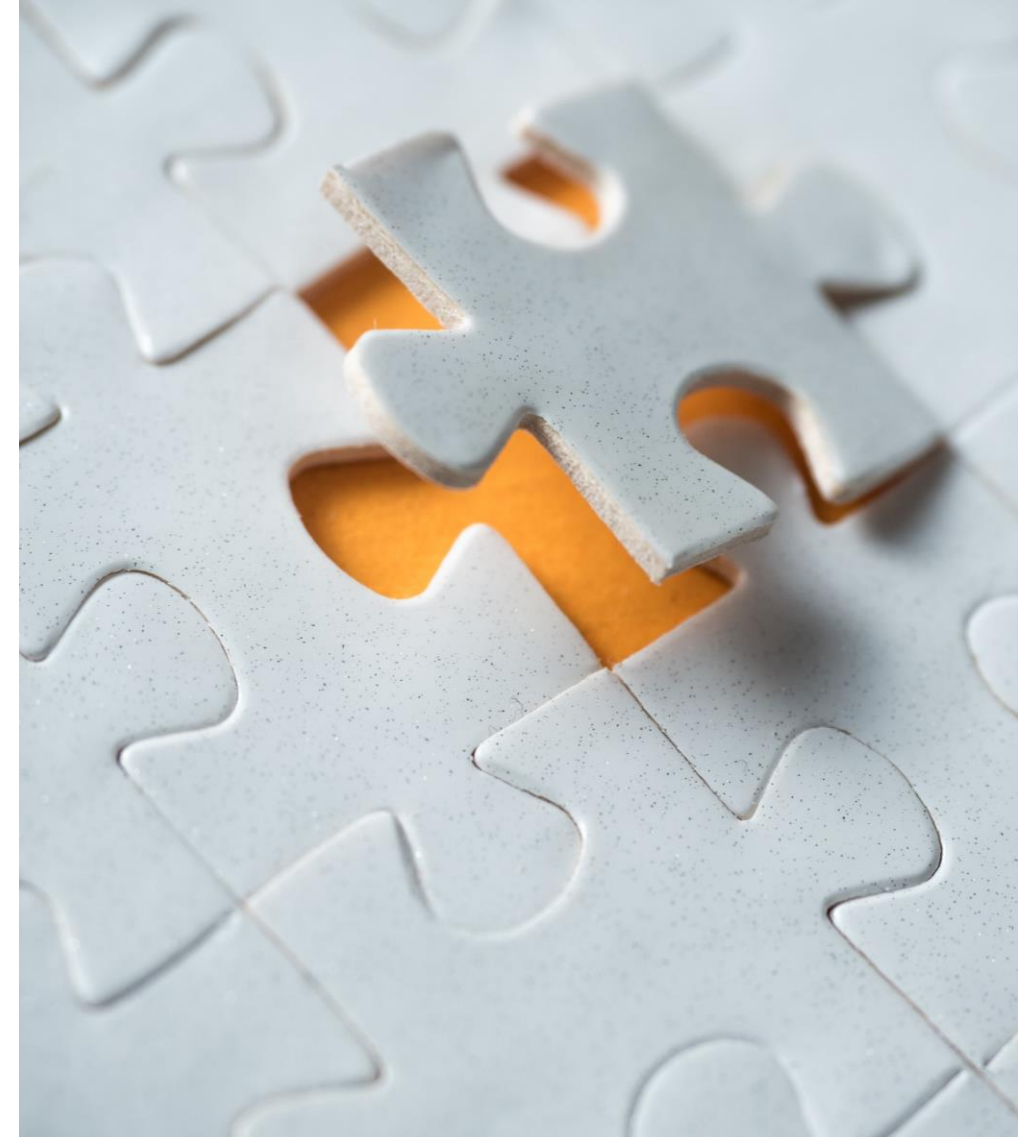
- City Property Tax
- County Property Tax
- Local Sales Tax Projection
- Solid Waste and Recycling Fees
- Average Water Bill
- Average Storm Water Bill
- Local Vehicle & License Fees

Assumptions

- Property tax is calculated on assessed value of \$209,900 (Charlotte's median)
- Households spend \$52,500 of Charlotte's MHI of \$70,000
- 30 percent of household expenditures is considered taxable purchases (\$17,750)
- Each household owns two vehicles
- Water and sewer bill is calculated at a user rate of 7ccf per month

Budget Development Process

- ▶ **January 2023**
 - ▶ Mayor and Council Annual Strategy Meeting to set priorities for the upcoming fiscal year
- ▶ **February – April 2023**
 - ▶ Community engagement initiatives
 - ▶ *Budget Input Survey, Listening Sessions, Balancing Act Budget Simulation Tool*
 - ▶ Budget & Effectiveness Committee Meetings
 - ▶ Mayor & Council Workshops
- ▶ **May – June 2023**
 - ▶ Proposed budget presentation by city manager
 - ▶ Public hearing on proposed budget
 - ▶ Council budget adjustments and straw votes meetings
 - ▶ Budget adoption
- ▶ **July 1, 2023 - Fiscal Year Begins**



Stay Connected and Engaged!

- ▶ Complete the annual [Budget Community Input Survey](#) between Feb. 7 and March 28
- ▶ Use the [Balancing Act](#) simulation tool to provide feedback on your budget priorities
- ▶ Submit an e-mail to StrategyandBudget@charlottenc.gov

Thank You!